

THAI STANLEY ELECTRIC PUBLIC COMPANY LIMITED

INTERIM FINANCIAL INFORMATION (UNAUDITED)

30 SEPTEMBER 2013

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders and the Board of Directors of Thai Stanley Electric Public Company Limited

I have reviewed the accompanying statements of financial position in which the equity method is applied and the Company only as at 30 September 2013, the related statements of income and comprehensive income in which the equity method is applied and the Company only for the three-month and six-month periods ended 30 September 2013, the related statements of changes in shareholders' equity and cash flows in which the equity method is applied and the Company only for the six-month period ended 30 September 2013 and condensed notes to the interim financial information of Thai Stanley Electric Public Company Limited. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

Unakorn Phruithithada
Certified Public Accountant (Thailand) No. 3257
PricewaterhouseCoopers ABAS Ltd.

Bangkok
1 November 2013

Thai Stanley Electric Public Company Limited
 Statements of Financial Position
 As at 30 September 2013

	Notes	Financial statements in which the equity method is applied		The Company only	
		Unaudited 30 September 2013 Baht	(Restated) Audited 31 March 2013 Baht	Unaudited 30 September 2013 Baht	(Restated) Audited 31 March 2013 Baht
Assets					
Current assets					
Cash and cash equivalents		2,103,227,188	1,706,831,055	2,103,227,188	1,706,831,055
Short-term investments held to maturity	4	144,247,552	109,704,902	144,247,552	109,704,902
Trade and other accounts receivable, net	5, 6	1,558,535,781	2,034,445,035	1,558,535,781	2,034,445,035
Inventories, net		789,717,461	844,326,647	789,717,461	844,326,647
Corporate income tax refundable		35,804,368	35,804,368	35,804,368	35,804,368
Other current assets		6,960,703	7,224,223	6,960,703	7,224,223
Total current assets		4,638,493,053	4,738,336,230	4,638,493,053	4,738,336,230
Non-current assets					
Investments in associates	7	527,020,287	475,826,519	57,176,689	57,176,689
Long-term investments, net	8	138,179,738	139,859,738	138,179,738	139,859,738
Property, plant and equipment, net	9	5,937,172,681	5,905,057,348	5,937,172,681	5,905,057,348
Intangible assets, net	10	516,214,769	465,263,346	516,214,769	465,263,346
Deferred tax assets		-	-	60,593,710	57,343,073
Other non-current assets, net		21,762,111	19,840,167	21,762,111	19,840,167
Total non-current assets		7,140,349,586	7,005,847,118	6,731,099,698	6,644,540,361
Total assets		11,778,842,639	11,744,183,348	11,369,592,751	11,382,876,591

Director _____
 (Mr. Apichart Leeissaranukul)

Director _____
 (Mr. Koichi Nagano)

Date _____

The notes to the interim financial information on page 12 to 22 are an integral part of this interim financial information.

Thai Stanley Electric Public Company Limited
 Statements of Financial Position
 As at 30 September 2013

	Notes	Financial statements in which the equity method is applied		The Company only	
		(Restated)		(Restated)	
		Unaudited 30 September 2013 Baht	Audited 31 March 2013 Baht	Unaudited 30 September 2013 Baht	Audited 31 March 2013 Baht
Liabilities and shareholders' equity					
Current liabilities					
Trade accounts payable - other companies		453,076,353	564,389,044	453,076,353	564,389,044
- related parties	6	218,038,663	300,625,020	218,038,663	300,625,020
Other accounts payable - other companies		163,251,979	235,633,141	163,251,979	235,633,141
- related parties	6	121,241,002	130,841,491	121,241,002	130,841,491
Accrued corporate income tax		177,337,491	234,080,227	177,337,491	234,080,227
Advances received from customers		83,434,279	38,639,703	83,434,279	38,639,703
Accrued expenses		287,648,722	246,249,796	287,648,722	246,249,796
Total current liabilities		1,504,028,489	1,750,458,422	1,504,028,489	1,750,458,422
Non-current liabilities					
Deferred tax liabilities		33,375,009	26,386,893	-	-
Provision for post employment benefits		144,377,020	131,762,100	144,377,020	131,762,100
Total non-current liabilities		177,752,029	158,148,993	144,377,020	131,762,100
Total liabilities		1,681,780,518	1,908,607,415	1,648,405,509	1,882,220,522
Shareholders' equity					
Share capital					
Authorised share capital					
76,625,000 ordinary shares, par value of Baht 5 each		383,125,000	383,125,000	383,125,000	383,125,000
Issued and paid-up share capital					
76,625,000 ordinary shares, par value of Baht 5 each		383,125,000	383,125,000	383,125,000	383,125,000
Premium on share capital		504,250,000	504,250,000	504,250,000	504,250,000
Retained earnings					
Appropriated					
- Legal reserve		38,312,500	38,312,500	38,312,500	38,312,500
Unappropriated		9,253,905,747	9,020,393,751	8,793,339,742	8,571,464,569
Other components of equity		(82,531,126)	(110,505,318)	2,160,000	3,504,000
Total shareholders' equity		10,097,062,121	9,835,575,933	9,721,187,242	9,500,656,069
Total liabilities and shareholders' equity		11,778,842,639	11,744,183,348	11,369,592,751	11,382,876,591

The notes to the interim financial information on page 12 to 22 are an integral part of this interim financial information.

Thai Stanley Electric Public Company Limited
 Statements of Income (Unaudited)
 For the three-month period ended 30 September 2013

	Notes	Financial statements in which the equity method is applied		The Company only	
		(Restated)		(Restated)	
		2013 Baht	2012 Baht	2013 Baht	2012 Baht
Sales	6	2,585,185,252	2,868,006,753	2,585,185,252	2,868,006,753
Cost of sales	6	(2,059,396,621)	(2,277,321,550)	(2,059,396,621)	(2,277,321,550)
Gross profit		525,788,631	590,685,203	525,788,631	590,685,203
Other income					
- Dividend income	6,7,8	39,738,273	13,759,848	39,738,273	13,759,848
- Gain on exchange rates, net		1,613,848	1,588,277	1,613,848	1,588,277
- Others	6	47,360,291	64,721,069	47,360,291	64,721,069
Profit before expenses		614,501,043	670,754,397	614,501,043	670,754,397
Selling expenses	6	(121,929,131)	(146,207,063)	(121,929,131)	(146,207,063)
Administrative expenses	6	(71,618,293)	(70,267,607)	(71,618,293)	(70,267,607)
Total expenses		(193,547,424)	(216,474,670)	(193,547,424)	(216,474,670)
Operating profit		420,953,619	454,279,727	420,953,619	454,279,727
Share of profit from investments in associates		22,176,917	23,237,432	-	-
Profit before income tax		443,130,536	477,517,159	420,953,619	454,279,727
Income tax		(83,998,082)	(114,588,776)	(79,562,699)	(109,941,290)
Net profit for the period		359,132,454	362,928,383	341,390,920	344,338,437
Basic earnings per share	13				
Net profit for the period		4.69	4.74	4.46	4.49

The notes to the interim financial information on page 12 to 22 are an integral part of this interim financial information.

Thai Stanley Electric Public Company Limited
 Statements of Comprehensive Income (Unaudited)
 For the three-month period ended 30 September 2013

	Financial statements in which the equity method is applied		The Company only	
	(Restated)		(Restated)	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Net profit for the period	359,132,454	362,928,383	341,390,920	344,338,437
Other comprehensive income:				
Unrealised gain (loss) on change in fair value of available-for-sale investment	(1,408,000)	736,000	(1,408,000)	736,000
Exchange differences relating to investments in associates	136,948	(691,422)	-	-
Other comprehensive income (expenses) for the period, net of tax	(1,271,052)	44,578	(1,408,000)	736,000
Total comprehensive income for the period	<u>357,861,402</u>	<u>362,972,961</u>	<u>339,982,920</u>	<u>345,074,437</u>

The notes to the interim financial information on page 12 to 22 are an integral part of this interim financial information.

Thai Stanley Electric Public Company Limited
 Statements of Income (Unaudited)
 For the six-month period ended 30 September 2013

	Notes	Financial statements in which the equity method is applied		The Company only	
		(Restated)		(Restated)	
		2013	2012	2013	2012
		Baht	Baht	Baht	Baht
Sales	6	5,416,354,493	5,407,677,002	5,416,354,493	5,407,677,002
Cost of sales	6	(4,282,015,655)	(4,249,433,076)	(4,282,015,655)	(4,249,433,076)
Gross profit		1,134,338,838	1,158,243,926	1,134,338,838	1,158,243,926
Other income					
- Dividend income	6,7,8	39,738,273	24,147,142	78,884,321	66,401,983
- Gain on exchange rates, net		-	1,153,666	-	1,153,666
- Others	6	105,010,899	110,767,245	105,010,899	110,767,245
Profit before expenses		1,279,088,010	1,294,311,979	1,318,234,058	1,336,566,820
Selling expenses	6	(258,542,475)	(268,633,499)	(258,542,475)	(268,633,499)
Administrative expenses	6	(140,141,003)	(127,297,614)	(140,141,003)	(127,297,614)
Loss on exchange rates, net		(584,645)	-	(584,645)	-
Other expenses	12	-	(35,294,401)	-	(35,294,401)
Total expenses		(399,268,123)	(431,225,514)	(399,268,123)	(431,225,514)
Operating profit		879,819,887	863,086,465	918,965,935	905,341,306
Share of profit from investments in associates	7	53,692,076	50,523,531	-	-
Profit before income tax		933,511,963	913,609,996	918,965,935	905,341,306
Income tax		(182,814,292)	(213,707,526)	(179,905,087)	(212,053,788)
Net profit for the period		<u>750,697,671</u>	<u>699,902,470</u>	<u>739,060,848</u>	<u>693,287,518</u>
Basic earnings per share	13				
Net profit for the period		<u>9.80</u>	<u>9.13</u>	<u>9.65</u>	<u>9.05</u>

The notes to the interim financial information on page 12 to 22 are an integral part of this interim financial information.

Thai Stanley Electric Public Company Limited
 Statements of Comprehensive Income (Unaudited)
 For the six-month period ended 30 September 2013

	Financial statements in which the equity method is applied		The Company only	
	(Restated)		(Restated)	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Net profit for the period	750,697,671	699,902,470	739,060,848	693,287,518
Other comprehensive income:				
Unrealised gain (loss) on change in fair value of available-for-sale investment	(1,344,000)	896,000	(1,344,000)	896,000
Exchange differences relating to investments in associates	29,318,192	437,270	-	-
Other comprehensive income (expenses) for the period, net of tax	27,974,192	1,333,270	(1,344,000)	896,000
Total comprehensive income for the period	<u>778,671,863</u>	<u>701,235,740</u>	<u>737,716,848</u>	<u>694,183,518</u>

The notes to the interim financial information on page 12 to 22 are an integral part of this interim financial information.

Thai Stanley Electric Public Company Limited
 Statements of Changes in Shareholders' Equity (Unaudited)
 For the six-month period ended 30 September 2013

Financial statements in which the equity method is applied									
	Notes	Issued and paid-up share capital Baht	Premium on share capital Baht	Retained earnings		Other components of equity			Total shareholders' equity Baht
				Legal reserve Baht	Unappropriated retained earnings Baht	Unrealised gain on change in fair value of available-for-sale investment Baht	Other comprehensive income	Cumulative exchange differences relating to investments in associates Baht	
Opening balance as at 1 April 2013 - as previously reported		383,125,000	504,250,000	38,312,500	9,071,206,974	7,580,000	(142,511,648)	(134,931,648)	9,861,962,826
Retrospective adjustments	3.1.1	-	-	-	(50,813,223)	(4,076,000)	28,502,330	24,426,330	(26,386,893)
Opening balance as at 1 April 2013 - as restated		383,125,000	504,250,000	38,312,500	9,020,393,751	3,504,000	(114,009,318)	(110,505,318)	9,835,575,933
Total comprehensive income for the period		-	-	-	750,697,671	(1,344,000)	29,318,192	27,974,192	778,671,863
Dividends paid	11	-	-	-	(517,185,675)	-	-	-	(517,185,675)
Closing balance as at 30 September 2013		<u>383,125,000</u>	<u>504,250,000</u>	<u>38,312,500</u>	<u>9,253,905,747</u>	<u>2,160,000</u>	<u>(84,691,126)</u>	<u>(82,531,126)</u>	<u>10,097,062,121</u>
Opening balance as at 1 April 2012 - as previously reported		383,125,000	504,250,000	38,312,500	7,678,162,011	4,220,000	(111,506,534)	(107,286,534)	8,496,562,977
Retrospective adjustments	3.1.1	-	-	-	(34,987,049)	(3,404,000)	22,301,307	18,897,307	(16,089,742)
Opening balance as at 1 April 2012 - as restated		383,125,000	504,250,000	38,312,500	7,643,174,962	816,000	(89,205,227)	(88,389,227)	8,480,473,235
Total comprehensive income for the period - as previously reported		-	-	-	695,024,913	1,120,000	546,587	1,666,587	696,691,500
Retrospective adjustments	3.1.1	-	-	-	4,877,557	(224,000)	(109,317)	(333,317)	4,544,240
Total comprehensive income for the period - as restated		-	-	-	699,902,470	896,000	437,270	1,333,270	701,235,740
Dividends paid	11	-	-	-	(229,866,300)	-	-	-	(229,866,300)
Closing balance as at 30 September 2012		<u>383,125,000</u>	<u>504,250,000</u>	<u>38,312,500</u>	<u>8,113,211,132</u>	<u>1,712,000</u>	<u>(88,767,957)</u>	<u>(87,055,957)</u>	<u>8,951,842,675</u>

The notes to the interim financial information on page 12 to 22 are an integral part of this interim financial information.

Thai Stanley Electric Public Company Limited
Statements of Changes in Shareholders' Equity (Unaudited)
For the six-month period ended 30 September 2013

	The Company only							
	Notes	Issued and paid-up share capital Baht	Premium on share capital Baht	Retained earnings		Other components of equity		Total shareholders' equity Baht
				Legal reserve Baht	Unappropriated retained earnings Baht	Other comprehensive income		
						Unrealised gain on change in fair value of available-for-sale investment Baht	Total other components of equity Baht	
Opening balance as at 1 April 2013 - as previously reported		383,125,000	504,250,000	38,312,500	8,510,045,496	7,580,000	7,580,000	9,443,312,996
Retrospective adjustments	3.1.1	-	-	-	61,419,073	(4,076,000)	(4,076,000)	57,343,073
Opening balance as at 1 April 2013 - as restated		383,125,000	504,250,000	38,312,500	8,571,464,569	3,504,000	3,504,000	9,500,656,069
Total comprehensive income for the period		-	-	-	739,060,848	(1,344,000)	(1,344,000)	737,716,848
Dividends paid	11	-	-	-	(517,185,675)	-	-	(517,185,675)
Closing balance as at 30 September 2013		<u>383,125,000</u>	<u>504,250,000</u>	<u>38,312,500</u>	<u>8,793,339,742</u>	<u>2,160,000</u>	<u>2,160,000</u>	<u>9,721,187,242</u>
Opening balance as at 1 April 2012 - as previously reported		383,125,000	504,250,000	38,312,500	7,205,963,512	4,220,000	4,220,000	8,135,871,012
Retrospective adjustments	3.1.1	-	-	-	59,452,651	(3,404,000)	(3,404,000)	56,048,651
Opening balance as at 1 April 2012 - as restated		383,125,000	504,250,000	38,312,500	7,265,416,163	816,000	816,000	8,191,919,663
Total comprehensive income for the period - as previously reported		-	-	-	686,756,223	1,120,000	1,120,000	687,876,223
Retrospective adjustments	3.1.1	-	-	-	6,531,295	(224,000)	(224,000)	6,307,295
Total comprehensive income for the period - as restated		-	-	-	693,287,518	896,000	896,000	694,183,518
Dividends paid	11	-	-	-	(229,866,300)	-	-	(229,866,300)
Closing balance as at 30 September 2012		<u>383,125,000</u>	<u>504,250,000</u>	<u>38,312,500</u>	<u>7,728,837,381</u>	<u>1,712,000</u>	<u>1,712,000</u>	<u>8,656,236,881</u>

The notes to the interim financial information on page 12 to 22 are an integral part of this interim financial information.

Thai Stanley Electric Public Company Limited
 Statements of Cash Flows (Unaudited)
 For the six-month period ended 30 September 2013

	Notes	Financial statements in which the equity method is applied		The Company only	
		2013 Baht	2012 Baht	2013 Baht	2012 Baht
Cash flows from operating activities:					
Profit before income tax for the period		933,511,963	913,609,996	918,965,935	905,341,306
Adjustments to reconcile profit before income tax to net cash provided by operations:					
- Depreciation	9	447,903,983	362,156,495	447,903,983	362,156,495
- Amortisation	10	61,161,711	56,300,993	61,161,711	56,300,993
- Interest income		(22,845,474)	(17,690,668)	(22,845,474)	(17,690,668)
- Share of profit from investments in associates	7	(53,692,076)	(50,523,531)	-	-
- Dividend income					
- Investments in associates	7	-	-	(39,146,048)	(42,254,841)
- Long-term investments	8	(39,738,273)	(24,147,142)	(39,738,273)	(24,147,142)
- Loss (gain) on disposal of equipment		3,973,965	(2,962,083)	3,973,965	(2,962,083)
- Loss on write-off of intangible assets	10	77	-	77	-
- Impairment of long-term investment		-	1,613,500	-	1,613,500
- Reversal of allowance for doubtful account		-	(513,135)	-	(513,135)
- Allowance for slow moving inventories and net realisable value lower than cost of inventories		6,231,149	783,173	6,231,149	783,173
- Provision for post-employment benefits		13,071,600	10,583,820	13,071,600	10,583,820
- Unrealised loss (gain) on exchange rates		(2,144,119)	313,879	(2,144,119)	313,879
Cash flows before changes in operating assets and liabilities		1,347,434,506	1,249,525,297	1,347,434,506	1,249,525,297
Changes in operating assets and liabilities					
- Trade and other accounts receivable		476,726,887	(421,723,126)	476,726,887	(421,723,126)
- Inventories		48,378,037	11,902,162	48,378,037	11,902,162
- Other current assets		263,520	(1,411,136)	263,520	(1,411,136)
- Other non-current assets		(1,921,944)	3,317,017	(1,921,944)	3,317,017
- Trade accounts payable - other companies		(111,312,691)	79,666,166	(111,312,691)	79,666,166
- related parties		(82,586,357)	143,631,607	(82,586,357)	143,631,607
- Other accounts payable - other companies		(119,321,411)	(102,450,670)	(119,321,411)	(102,450,670)
- related parties		(9,593,046)	(23,068,293)	(9,593,046)	(23,068,293)
- Advances received from customers		44,794,576	494,753	44,794,576	494,753
- Accrued expenses		41,398,926	83,929,498	41,398,926	83,929,498
- Payment for post employment benefits		(456,680)	(856,800)	(456,680)	(856,800)
Cash generated from operations		1,633,804,323	1,022,956,475	1,633,804,323	1,022,956,475
Interest received		20,253,045	16,862,856	20,253,045	16,862,856
Income tax paid		(239,562,460)	(7,417,892)	(239,562,460)	(7,417,892)
Net cash received from operating activities		1,414,494,908	1,032,401,439	1,414,494,908	1,032,401,439

The notes to the interim financial information on page 12 to 22 are an integral part of this interim financial information.

Thai Stanley Electric Public Company Limited
 Statements of Cash Flows (Unaudited)
 For the six-month period ended 30 September 2013

	Notes	Financial statements in which the equity method is applied		The Company only	
		2013 Baht	2012 Baht	2013 Baht	2012 Baht
Cash flows from investing activities:					
Purchases of property, plant and equipment		(450,202,648)	(1,326,910,164)	(450,202,648)	(1,326,910,164)
Advance payment for construction and purchase of equipment		-	(9,820,727)	-	(9,820,727)
Proceeds from disposals of equipment		3,734,541	2,993,301	3,734,541	2,993,301
Interest received on short-term investments held to maturity		1,774,796	1,757,233	1,774,796	1,757,233
Dividends received					
- Investments in associates	7	39,146,048	42,254,841	39,146,048	42,254,841
- Long-term investments	8	39,738,273	10,922,375	39,738,273	10,922,375
Purchases of intangible assets		(102,705,579)	(48,657,413)	(102,705,579)	(48,657,413)
Cash receipts from short-term investments held to maturity	4	220,000,000	198,849,700	220,000,000	198,849,700
Cash payments on short-term investments held to maturity	4	(254,542,650)	-	(254,542,650)	-
Net cash used in investing activities		(503,057,219)	(1,128,610,854)	(503,057,219)	(1,128,610,854)
Cash flow from financing activity:					
Dividends paid	11	(517,185,675)	(229,866,300)	(517,185,675)	(229,866,300)
Net cash used in financing activity		(517,185,675)	(229,866,300)	(517,185,675)	(229,866,300)
Net increase (decrease) in cash and cash equivalents		394,252,014	(326,075,715)	394,252,014	(326,075,715)
Cash and cash equivalents at beginning of the period		1,706,831,055	1,707,851,632	1,706,831,055	1,707,851,632
Effects of exchange rate changes		2,144,119	(313,879)	2,144,119	(313,879)
Cash and cash equivalents at end of the period		<u>2,103,227,188</u>	<u>1,381,462,038</u>	<u>2,103,227,188</u>	<u>1,381,462,038</u>
Non-cash transactions:					
Outstanding liabilities arisen from purchases of plant, equipment and intangible assets		74,667,975	57,263,106	74,667,975	57,263,106
Accrued dividend income from long-term investment		-	13,224,767	-	13,224,767

The notes to the interim financial information on page 12 to 22 are an integral part of this interim financial information.

1 General information

Thai Stanley Electric Public Company Limited (“the Company”) is a public limited company, incorporated in Thailand. The address of its registered office is 29/3 Moo 1 Bangpoo Rungsit Road, Bangklang, Amphur Muang, Pathumthane, Thailand 12000. The Company is listed on the Stock Exchange of Thailand.

The principal business operation of the Company is the manufacture and sales of automotive bulbs, lighting equipment and molds and dies.

This interim financial information has been approved by the Company’s Board of directors on 1 November 2013.

This interim financial information has been reviewed, not audited.

2 Basis of preparation

This interim financial information is prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Professions Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission. The primary financial information (i.e. statement of financial position, statement of income, statement of comprehensive income, statement of changes in shareholders’ equity and statement of cash flows) is prepared in the full format as required by the Securities and Exchange Commission. The notes to the interim financial information are prepared in a condensed format according to Thai Accounting Standard no. 34, “Interim Financial Reporting” and additional notes are presented as required by the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535.

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2013.

An English version of the interim financial information has been prepared from the interim financial information that is in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial information shall prevail.

3 Accounting policies

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 March 2013 except Thai Accounting Standard no. 12 "Income taxes".

3.1 New/ revised accounting standards and new interpretations

3.1.1 New accounting standard that is mandatory for the accounting periods beginning on or after 1 January 2013 and has an effect on the Company's financial statements

TAS 12, this deals with taxes on income, comprising current tax and deferred tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, using tax rates and tax law that have been enacted or substantively enacted by the end of the reporting period. Deferred taxes are measured based on the temporary difference between the tax base of an asset or liability and its carrying amount in the financial statements and using the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax law that have been enacted or substantively enacted by the end of the reporting period. This accounting standard is mandatory for the accounting periods beginning on or after 1 January 2013. The Company has adopted this standard from 1 April 2013 with retrospective adjustments. The effects of the adoption of this standard on the statement of financial position, the statement of income and the statement of comprehensive income are as follows:

	Financial statements in which the equity method is applied Baht Million	The Company only Baht Million
Statement of Financial Position as at 31 March 2013		
Increase in deferred tax assets	-	57.34
Increase in deferred tax liabilities	26.39	-
Shareholders' equity		
Increase (decrease) in unappropriated retained earnings as at 1 April 2012	(34.99)	59.45
Increase (decrease) in unappropriated retained earnings as at 31 March 2013	(50.81)	61.42
Increase (decrease) in other components of equity as at 1 April 2012	18.90	(3.40)
Increase (decrease) in other components of equity as at 31 March 2013	24.43	(4.08)
Statement of Income for the three-month period ended 30 September 2012		
Increase (decrease) in income tax	3.87	(0.78)
Increase (decrease) in net profit for the period	(3.87)	0.78
Increase (decrease) in basic earnings per share (Baht)	(0.05)	0.01
Statement of Income for the six-month period ended 30 September 2012		
Decrease in income tax	4.88	6.53
Increase in net profit for the period	4.88	6.53
Increase in basic earnings per share (Baht)	0.06	0.09

3 Accounting policies (Cont'd)

3.1 New/ revised accounting standards and new interpretations (Cont'd)

3.1.1 New accounting standard that is mandatory for the accounting periods beginning on or after 1 January 2013 and has an effect on the Company's financial statements (Cont'd)

	Financial statements in which the equity method is applied Baht Million	The Company only Baht Million
Statement of Comprehensive Income for the three-month period ended 30 September 2012		
Decrease in unrealised gain on change in fair value of available-for-sale investment	0.18	0.18
Increase in exchange differences relating to investments in associates	0.17	-
Increase (decrease) in total comprehensive income	(3.88)	0.60
Statement of Comprehensive Income for the six-month period ended 30 September 2012		
Decrease in unrealised gain on change in fair value of available-for-sale investment	0.22	0.22
Increase in exchange differences relating to investments in associates	0.11	-
Increase in total comprehensive income	4.55	6.31

3.1.2 Revised accounting standard and new interpretations that are mandatory for the accounting periods beginning on or after 1 January 2014

The following revised accounting standard and new interpretations are mandatory for the accounting periods beginning on or after 1 January 2014, but the Company has not early adopted them.

TAS 12 (Revised 2012)	Income Taxes
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-Cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers
TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosure
TSIC 32	Intangible Assets - Web Site Costs

The Company's management has determined that the revised accounting standard and the new interpretations will not significantly impact the financial statements being presented, except for TFRIC 4 : Determining whether an Arrangement contains a Lease.

TFRIC 4 requires the determination of whether an arrangement is or contains a lease to be based on the substance of the arrangement. It requires an assessment of whether: (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. The

management is currently assessing the impact of this interpretation

3 Accounting policies (Cont'd)

Costs that are incurred unevenly during the financial year are anticipated or deferred in the interim report only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

3.2 New accounting policies

Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company's associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

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4 Short-term investments held to maturity

Short-term investments held to maturity represent bills of exchange, treasury bills and fixed deposits which have original maturities between 3 and 12 months.

Movement in short-term investments held to maturity is as follows:

For the six-month period ended 30 September 2013	Unaudited Baht
Opening net book amount	109,704,902
Additions during the period	254,542,650
Redemptions during the period	(220,000,000)
Closing net book amount	<u>144,247,552</u>

As at 30 September 2013, short-term investments held to maturity bore interest at the average rate at 2.42% per annum (31 March 2013: 2.65% - 2.73% per annum).

5 Trade and other accounts receivable, net

Trade and other accounts receivable, net as at 30 September 2013 and 31 March 2013 are as follows:

	Unaudited 30 September 2013 Baht	Audited 31 March 2013 Baht
Trade accounts receivable - other companies	1,342,474,621	1,717,846,398
<u>Less</u> Allowance for doubtful account	(3,367,267)	(3,367,267)
Trade accounts receivable - other companies, net	1,339,107,354	1,714,479,131
Trade accounts receivable - related parties (Note 6)	153,186,438	179,626,862
Prepaid expenses	23,519,422	23,987,610
Accrued income	28,137,500	9,920,092
Value added tax receivable	-	82,473,754
Other receivables	14,585,067	23,957,586
	<u>1,558,535,781</u>	<u>2,034,445,035</u>

Trade accounts receivable as at 30 September 2013 and 31 March 2013 can be analysed as follows:

	Trade accounts receivable- other companies		Trade accounts receivable- related parties	
	Unaudited 30 September 2013 Baht	Audited 31 March 2013 Baht	Unaudited 30 September 2013 Baht	Audited 31 March 2013 Baht
Current	1,327,905,699	1,704,026,595	147,895,629	178,291,785
Overdue				
- less than 3 months	6,073,870	10,440,551	4,380,199	585,297
- 3 - 6 months	2,421,743	11,985	910,610	139,250
- 6 - 12 months	2,706,042	-	-	-
- more than 1 year	3,367,267	3,367,267	-	610,530
	<u>1,342,474,621</u>	<u>1,717,846,398</u>	<u>153,186,438</u>	<u>179,626,862</u>

6 Related party transactions

The Company had the significant transactions with its major shareholder, Stanley Electric Company Limited Group, incorporated in Japan which holds 29.95% interest in the Company's share capital. The Company also had significant transactions with a group of individual shareholders who are members of the Company's management who hold 29.08% interest in the Company's share capital. Stanley Electric Group comprises Stanley Electric Company Limited and related companies.

Purchases from related parties mainly comprise specific materials or materials which are manufactured on a large scale at one source for cost saving benefits. Sales to related parties mainly represent export sales, and selling price is determined based on manufacturing cost plus a certain margin. A royalty fee is charged at 3% of the amount of sales less imported material cost from the related party in accordance with the agreement.

A design and development fee and other fees are charged in the normal course of business. The outstanding balances are presented as other accounts payable - related parties.

The following significant transactions were carried out with related parties:

	Unaudited			
	For the three-month periods ended 30 September		For the six-month periods ended 30 September	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Sales				
Stanley Electric Group companies	144,460,727	93,856,050	236,462,345	209,567,765
Companies related by way of the Company's management and directors as shareholders or by way of common directors	38,931,588	43,097,974	80,588,567	94,294,148
Associates	25,036,138	32,696,691	53,701,915	66,349,384
	<u>208,428,453</u>	<u>169,650,715</u>	<u>370,752,827</u>	<u>370,211,297</u>
Dividend income				
Stanley Electric Group companies	39,738,273	13,759,848	39,738,273	24,147,142
Associates	-	-	39,146,048	42,254,841
	<u>39,738,273</u>	<u>13,759,848</u>	<u>78,884,321</u>	<u>66,401,983</u>
Other income				
Stanley Electric Group companies	1,519,270	1,537,671	3,582,411	2,020,678
Associates	15,520	47,000	42,040	267,505
	<u>1,534,790</u>	<u>1,584,671</u>	<u>3,624,451</u>	<u>2,288,183</u>
Purchases of goods and services				
Stanley Electric Group companies	245,841,975	360,195,095	518,025,487	556,260,187
Companies related by way of the Company's management and directors as shareholders or by way of common directors	72,975,498	84,747,554	150,326,306	158,207,356
Associates	7,323,322	9,210,128	16,931,267	16,025,984
	<u>326,140,795</u>	<u>454,152,777</u>	<u>685,283,060</u>	<u>730,493,527</u>
Royalty fee				
Stanley Electric Group companies	69,286,766	78,212,616	153,953,593	146,785,441
Design and development fee				
Stanley Electric Group companies	13,558,400	285,852	51,043,729	536,095

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6 Related party transactions (Cont'd)

The following significant transactions were carried out with related parties: (Cont'd)

	Unaudited			
	For the three-month periods ended 30 September		For the six-month periods ended 30 September	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Technical fee				
Stanley Electric Group companies	3,664,955	2,913,204	8,058,093	7,242,565
Training fee				
Stanley Electric Group companies	4,068,001	8,400,000	4,783,302	13,361,121
Commission				
Stanley Electric Group companies	3,255,972	1,041,000	5,870,373	1,041,000
Directors' and managements' remuneration	16,970,233	15,848,096	26,726,016	27,297,771

The amounts due to/from related parties are mainly denominated in foreign currencies and relate to purchases and sales transactions. The outstanding balances as at 30 September 2013 and 31 March 2013 are as follows:

	Unaudited 30 September 2013 Baht	Audited 31 March 2013 Baht
Trade accounts receivable - related parties		
Stanley Electric Group companies	94,950,748	93,182,313
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	38,008,450	56,636,602
Associates	20,227,240	29,807,947
	<u>153,186,438</u>	<u>179,626,862</u>
Trade accounts payable - related parties		
Stanley Electric Group companies	182,758,766	255,659,601
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	28,018,244	35,416,228
Associates	7,261,653	9,549,191
	<u>218,038,663</u>	<u>300,625,020</u>
Other accounts payable - related parties		
Stanley Electric Group companies	<u>121,241,002</u>	<u>130,841,491</u>

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7 Investments in associates

a) Movements in investments in associates are as follows:

For the six-month period ended 30 September 2013	Equity Method	Cost Method
	Unaudited Baht	Unaudited Baht
Opening net book amount	475,826,519	57,176,689
Share of profit	53,692,076	-
Dividends received	(39,146,048)	-
Translation adjustments	36,647,740	-
Closing net book amount	<u>527,020,287</u>	<u>57,176,689</u>

b) The details of investments in associates are as follows:

Name	Business activity	Paid-up share capital	% of holding	Equity Method			
				Unaudited 30 September 2013		Audited 31 March 2013	
				Amount Baht	Dividend Baht	Amount Baht	Dividend Baht
Associates							
Lao Stanley Company Limited	Manufacture of automotive lighting equipment	USD 0.25 million	50	19,269,570	-	13,317,919	2,726,202
Vietnam Stanley Electric Company Limited	Manufacture of automotive lighting equipment	USD 8.30 million	20	<u>507,750,717</u>	<u>39,146,048</u>	<u>462,508,600</u>	<u>42,254,841</u>
				<u>527,020,287</u>	<u>39,146,048</u>	<u>475,826,519</u>	<u>44,981,043</u>
Cost Method							
				Unaudited 30 September 2013		Audited 31 March 2013	
				Amount Baht	Dividend Baht	Amount Baht	Dividend Baht
Associates							
Lao Stanley Company Limited	Manufacture of automotive lighting equipment	USD 0.25 million	50	3,132,500	-	3,132,500	2,726,202
Vietnam Stanley Electric Company Limited	Manufacture of automotive lighting equipment	USD 8.30 million	20	<u>54,044,189</u>	<u>39,146,048</u>	<u>54,044,189</u>	<u>42,254,841</u>
				<u>57,176,689</u>	<u>39,146,048</u>	<u>57,176,689</u>	<u>44,981,043</u>

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8 Long-term investments, net

Long-term investments, net as at 30 September 2013 and 31 March 2013 are as follows:

As at 30 September 2013 (Unaudited)	Available- for-sale investments Baht	General investments Baht	Total Baht
Equity securities			
· Related parties	6,080,000	104,921,215	111,001,215
· Other companies	-	27,178,523	27,178,523
Long-term investments, net	6,080,000	132,099,738	138,179,738

As at 31 March 2013 (Audited)	Available- for-sale investments Baht	General investments Baht	Total Baht
Equity securities			
· Related parties	7,760,000	104,921,215	112,681,215
· Other companies	-	27,178,523	27,178,523
Long-term investments, net	7,760,000	132,099,738	139,859,738

The details of long-term investments are as follows:

Name	Business activity	Paid-up share capital	% of holding	Unaudited 30 September 2013		Audited 31 March 2013	
				Amount Baht	Dividend Baht	Amount Baht	Dividend Baht
Related party - available for sale							
Inoue Rubber (Thailand) Public Company Limited	Manufacture of tyre	Baht 200 million	0.2	3,380,000	-	3,380,000	82,040
Change in fair value of investment				2,700,000	-	4,380,000	-
				6,080,000	-	7,760,000	82,040
Related parties - general investments (at cost)							
Asian Stanley International Company Limited	Manufacture of small bulbs, LED and electronic components	Baht 400 million	15.0	60,000,000	28,589,723	60,000,000	10,387,294
Sirivit Stanley Company Limited	Manufacture of electronic equipment and automotive lighting	Baht 21 million	15.0	3,000,000	-	3,000,000	-
Lumax Industries Limited	Manufacture of automotive lighting equipment and auto parts	RS 93.5 million	1.73	8,793,715	355,793	8,793,715	535,081
PT. Indonesia Stanley Electric	Manufacture of molds and automotive lighting	USD 7.5 million	10.0	33,127,500	10,792,757	33,127,500	13,224,767
				104,921,215	39,738,273	104,921,215	24,147,142
Other companies - general investments (at cost)							
Sum Hitechs Company Limited	Chrome plating on plastic products	Baht 104 million	16.35	27,178,523	-	27,178,523	-
Top Hitech (Thailand) Company Limited	Manufacture of plastic products and molds	Baht 35.9 million	13.9	5,000,000	-	5,000,000	-
Less Impairment of investment				(5,000,000)	-	(5,000,000)	-
				27,178,523	-	27,178,523	-
Total long-term investments, net				138,179,738	39,738,273	139,859,738	24,229,182

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9 Property, plant and equipment, net

For the six-month period ended 30 September 2013	Unaudited Baht
Opening net book amount	5,905,057,348
Additions	487,727,822
Disposals/write-offs, net	(7,708,506)
<u>Less</u> Depreciation charge	<u>(447,903,983)</u>
Closing net book amount	<u>5,937,172,681</u>

The additions during the period mainly compose of land, constructions, machines and equipment for production capacity expansion.

As at 30 September 2013, the Company has capital commitments amount of Baht 326 million (31 March 2013: Baht 84 million). The capital commitment mainly comprises construction and machines for production expansion in the future.

10 Intangible assets, net

For the six-month period ended 30 September 2013	Unaudited Baht
Opening net book amount	465,263,346
Additions	112,113,211
Disposals/write-offs, net	(77)
<u>Less</u> Amortisation charge	<u>(61,161,711)</u>
Closing net book amount	<u>516,214,769</u>

11 Dividends paid

At the Annual General Shareholders' meeting of Thai Stanley Electric Public Company Limited held on 5 July 2013, the shareholders were unanimously resolved to pay dividends in respect of the operating results for the year ended 31 March 2013 for 76,625,000 shares of Baht 6.75 per share, totalling Baht 517,218,750. There are 4,900 shares that were not entitled to receive the dividends, totalling Baht 33,075 as the depository terms were not in compliance with practices of the Thailand Security Depository Co., Ltd. The Company recorded actual dividends that were paid amounting to Baht 517,185,675 in the financial statements. The Company paid the dividends to the shareholders on 31 July 2013.

At the Annual General Shareholders' meeting of Thai Stanley Electric Public Company Limited held on 26 June 2012, the shareholders were unanimously resolved to pay dividends in respect of the operating results for the year ended 31 March 2012 for 76,625,000 shares of Baht 3 per share, totalling Baht 229,875,000. There are 2,900 shares that were not entitled to receive the dividends, totalling Baht 8,700 as the depository terms were not in compliance with practices of the Thailand Security Depository Co., Ltd. The Company recorded actual dividends that were paid amounting to Baht 229,866,300 in the financial statements. The Company paid the dividends to the shareholders on 24 July 2012.

12 Other expenses

The other expenses in the statement of income for the six-month period ended 30 September 2012 were related to expenses arising from floods which mainly comprised repair and rehabilitation expenses.

13 Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of common shares in issue during the period (30 September 2013: 76,625,000 shares and 30 September 2012: 76,625,000 shares).

There are no dilutive ordinary shares in issue for the six-month periods ended 30 September 2013 and 2012.

14 Commitments and contingent liabilities

For the six-month period ended 30 September 2013, there were no significant changes in commitments and contingent liabilities and other agreements from the year ended 31 March 2013, except the capital commitment as mentioned in Note 9 and the following item:

Forward exchange contracts

As at 30 September 2013 and 31 March 2013, the balances of trade accounts receivable net off with trade accounts payable in respect of purchases and sales proceeds due in foreign currencies are as follows:

		Unaudited 30 September 2013	Audited 31 March 2013
- Net payables	Yen	178.11 million	178.25 million
- Net assets	USD	1 million	0.62 million
Forward exchange contracts	USD	1 million	0.8 million
Maturity of forward exchange contracts		1 - 2 months	1 - 2 months

15 Business segment information

The Company currently manufactures and sells auto bulbs, automotive lighting equipment and molds & dies at one establishment in Thailand. The sales, assets and profit of molds & dies, which are different from auto bulbs and automotive lighting equipment, do not meet quantitative thresholds of reportable segment. Moreover, the Company's management allocates resources and assesses the Company's performance as a whole.